

Minutes from Finance Committee Meeting  
9/30/2013

Chairman Wally Hess opened the meeting at 7pm in the Brenner library room. Also in attendance were Frank Hassler, June Michaels, Laurene Wessel, Mike Lamoureux, Carl Engel, Mike Hughes.

June advised the committee of the minutes from the 9/16/2013 meeting are not quite complete and will be submitted after minor alterations.

Long Beach Discussion:

Wally reviewed the outcome of the BOS meeting which resulted in a decision to offer a 10 year lease to the Long Beach residents by a 3-2 vote. There is no specified date for the beginning lease date and no rent figure was decided at the meeting. The BOS decided they should wait until a new appraisal was received before setting rates. The finance committee does expect a request for funding for the appraisal which could amount to \$85,000. The start date is expected sometime after January 1, 2014 and the old lease rates will apply for the short term.

The finance committee assumed an increase of \$200,000 in lease payments for the Long Beach residents. Before each town meeting, a group that typically consists of the Town Administrator, accountant, treasurer and two finance committee members estimates the expected local revenue amounts. This group met in August to update the estimates for about 100 line items, and LB rents were one of them. It's unclear exactly how the absence of this \$200,000 will affect the tax rate or the rest of the budget, but it's likely the tax rates will increase as a result, and that our excess levy will be reduced or eliminated once the DOR reviews out assumptions.

Given the expected reserve request from the BOS to the fincom reserve fund, Wally submitted potential guidelines for the BOS to consider and present those to the finance committee. Laurene and Mike Lamoureux had concerns with this as it is premature given the BOS have not asked for any funds from the fincom reserve to this point. Wally and Frank have several expectations from the expected BOS request, which included instructions for the appraiser, the value of the front and back lots, 6 months rent vs. 12 months rent, and what is the triple net value of the land. June was not confident the BOS would adhere to our request, therefore we should wait for the appraisal. Wally recommends the rates be based on an appraisal and not a random number.

Frank moved to recommend that a fincom member be involved in drafting the RFP, and the resulting RFP accompany any reserve transfer request to fund any appraisal. Mike Lamoureux seconded the motion and the vote was unanimous. It was agreed that June would be fincom's member to the sub committee if there is one drafting the request.

Frank Hassler presented his analysis of the rent potential with respect to Long Beach, which consisted of four pictures and one bullet chart. He described this as a time dated history of assessed land value at Long Beach. His assessment concluded there has been 7.4% growth over a 50 year period and using the CPI of 2.6% is not accurate. His analysis also concluded that there is a long term interest growth rate of 4.24% over a 50 year period and the rent value should correlate with the land value. Laurene states that “the Long Beach residents are paying at .5% presently. We all agree that this needs to be raised somewhat. If we increase it to 1.5% it will be tripling their rent. The interest rates have been at an historic low for the past ten years.

#### Mooring Rates.

Wally discussed the mooring revenue as an agenda item for the next meeting. His analysis amounts to \$192,515 in revenue for the town with expenses of \$273,000. He would like to see an increase in mooring fees and for the town to operate their waterways on an enterprise fund basis, with no taxpayer money funding the waterways. To be discussed at a future meeting.

The meeting was adjourned at 9pm.